

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.3306 Instrument; person subject to claim of property or possessory right.

Sec. 3306. A person taking an instrument, other than a person having rights of a holder in due course, is subject to a claim of a property or possessory right in the instrument or its proceeds, including a claim to rescind a negotiation and to recover the instrument or its proceeds. A person having rights of a holder in due course takes free of the claim to the instrument.

History: 1962, Act 174, Eff. Jan. 1, 1964;—Am. 1993, Act 130, Eff. Sept. 30, 1993.